

amendments, Mr. President.

SENATOR HALL: The committee amendments are adopted. Next item on the bill. Excuse me, Senator Beutler, to open on the bill, I apologize.

SENATOR BEUTLER: Senator Hall, members of the Legislature, I think everybody is aware at this point in time that the Campaign Finance Reform Act is the law of Nebraska and it will be applied for the first time during this next set of elections which involves primarily of course just the legislative races, although there are a few others. And in order for the law to work the way it is designed to work, it is necessary, I think as you all know, that there be a fund available in the event that certain candidates do not agree to abide by the Campaign Finance limitation. There has to be a fund there in order to make the bill work and we can get in at some point in time and we will I'm sure into the mechanics of the law and how it works and why there has to be a fund. But I hope that we can agree for the moment that to make the law work there has to be a fund. And so I've, as those who have been in the Legislature for a while know, I've chased around for quite a while and tried to identify what in your minds would be the most appropriate kind of funding for this particular kind of fund. And we've hit upon fees and we've hit upon voluntary contributions, we've worked with appropriations and finally, kind of stealing a little bit from John Lindsay, I've been working on this bill that in effect would, in the end, turn to primary reliance for funding upon an income tax on campaign committees. And just to take you briefly through the details of the bill, it is an income tax, it is on the Candidate Campaign Committee. It starts on all income above the minimal \$2,000 level, that is the reporting level. It is applied at the rate which is the same rate for corporate income tax, 5.57 percent for amounts of 50,000 and under and 7.81 percent for amounts over \$50,000. There are certain allowable deductions, amounts that are not taxable. Those are outlined on lines 6 through 16 on page 2 of the bill. It includes some of the things that, most of the things I think that involve expenditures that are made from these kinds of funds in between campaigns. I think you will recognize those types of expenditures and it would apply to all funds raised after the effective date of this particular act. The tax is due on January 31 of each year on the year following the tax year. So for this year for example, funds raised after the effective date of the bill would be taxable and the tax would be paid